

117TH CONGRESS  
1ST SESSION

# S. 2233

To establish a grant program for shuttered minor league baseball clubs,  
and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JUNE 24, 2021

Mr. BLUMENTHAL (for himself, Mrs. BLACKBURN, Mr. WARNER, and Mr. KAINE) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

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## A BILL

To establish a grant program for shuttered minor league  
baseball clubs, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Minor League Baseball  
5       Relief Act”.

6       **SEC. 2. DEFINITIONS.**

7       In this Act:

8           (1)   ADMINISTRATOR.—The term “Adminis-  
9       trator” means the Administrator of the Small Busi-  
10      ness Administration.

1                         (2) COVERED GRANTS.—The term “covered  
2 grant” means a grant made under this Act to an eli-  
3 gible entity.

4                         (3) COVERED LAW.—The term “covered law”  
5 means—

6                             (A) the Coronavirus Preparedness and Re-  
7 sponse Supplemental Appropriations Act, 2020  
8 (Public Law 116–123);

9                             (B) the Families First Coronavirus Re-  
10 sponse Act (Public Law 116–127);

11                             (C) the CARES Act (Public Law 116–  
12 136);

13                             (D) the Paycheck Protection Program and  
14 Health Care Enhancement Act (Public Law  
15 116–139; 134 Stat. 620);

16                             (E) division M or N of the Consolidated  
17 Appropriations Act, 2021 (Public Law 116–  
18 260); or

19                             (F) the American Rescue Plan Act of 2021  
20 (Public Law 117–2).

21                         (4) COVERED MORTGAGE OBLIGATION; COV-  
22 ERED RENT OBLIGATION; COVERED UTILITY PAY-  
23 MENT; COVERED WORKER PROTECTION EXPENDI-  
24 TURE.—The terms “covered mortgage obligation”,  
25 “covered rent obligation”, “covered utility payment”,

1 and “covered worker protection expenditure” have  
2 the meanings given those terms in section 7A(a) of  
3 the Small Business Act (15 U.S.C. 636m(a)).

4 (5) ELIGIBLE ENTITY.—The term “eligible enti-  
5 ty” means any Minor League Baseball Club or Inde-  
6 pendent Professional Baseball Club that meets the  
7 following requirements:

8 (A) The Minor League Baseball Club or  
9 Independent Professional Baseball Club was op-  
10 erating in the ordinary course of business on  
11 February 29, 2020.

12 (B) The gross revenues of the Minor  
13 League Baseball Club or Independent Profes-  
14 sional Baseball Club in calendar year 2020  
15 were not more than 25 percent of the gross rev-  
16 enues of the Minor League Baseball Club or  
17 Independent Professional Baseball Club in cal-  
18 endar year 2019, or, if the gross revenues of  
19 the Minor League Baseball Club or Inde-  
20 pendent Professional Baseball Club were nega-  
21 tively impacted by a natural disaster or weather  
22 disruption in 2019, not more than 25 percent  
23 of the average annual gross revenues of the  
24 Minor League Baseball Club or Independent  
25 Professional Baseball Club over the 3-year pe-

1           riod from 2016 through 2018, as determined by  
2           the Administrator using the accrual method of  
3           accounting and excluding any amounts received  
4           any amounts received under the CARES Act  
5           (15 U.S.C. 9001 et seq.), an amendment to  
6           such Act, the Consolidated Appropriations Act,  
7           2021 (Public Law 116–260), or any subsequent  
8           COVID Relief package.

9                         (C) At the time the Minor League Baseball  
10          Club or Independent Professional Baseball Club  
11          submits the certification required under section  
12          3(c), the Minor League Baseball Club or Inde-  
13          pendent Professional Baseball Club is open, or  
14          intends to reopen, for the primary purpose of  
15          conducting baseball games.

16                         (D) The Minor League Baseball Club or  
17          Independent Professional Baseball Club is not  
18          majority owned, directly or indirectly, by Major  
19          League Baseball, a Major League Baseball  
20          Club, or one or more persons who have a great-  
21          er than 10 percent ownership interest in a  
22          Major League Baseball Club.

23                         (6) INDEPENDENT PROFESSIONAL BASEBALL  
24          CLUB.—The term “Independent Professional Base-  
25          ball Club” means a professional baseball team, in-

1       cluding a professional baseball team that is a cor-  
2       poration, limited liability company, or a partnership  
3       or operated as a sole proprietorship, that—

4                   (A) operates for profit or as a nonprofit  
5                   organization;

6                   (B) is located in the United States; and

7                   (C) as of February 29, 2020, was a mem-  
8       ber of—

9                      (i) the American Association of Pro-  
10                     fessional Baseball;

11                      (ii) the Atlantic League of Profes-  
12                     sional Baseball;

13                      (iii) the Canadian American Associa-  
14                     tion of Professional Baseball;

15                      (iv) the Empire Professional Baseball  
16                     League;

17                      (v) the Frontier League;

18                      (vi) the Pacific Association of Profes-  
19                     sional Baseball Clubs;

20                      (vii) the Pecos League of Professional  
21                     Baseball Clubs;

22                      (viii) the United Shore Professional  
23                     Baseball League; or

24                      (ix) the Western League.

(A) operates for profit or as a nonprofit organization;

(B) is located in the United States; and

10 (C)(i) as of February 29, 2020, was a  
11 member of a league that was a member of the  
12 National Association of Professional Baseball  
13 Leagues, Inc.; or

19 (II) a license granted by Appalachian  
20 League, Inc.

1     **SEC. 3. GRANTS FOR CERTAIN MINOR LEAGUE BASEBALL**

2                 **CLUBS.**

3                 (a) IN GENERAL.—The Administrator shall, subject  
4 to the availability of appropriations, make covered grants  
5 to eligible entities in accordance with this section.

6                 (b) AUTHORITY.—The Associate Administrator for  
7 the Office of Disaster Assistance of the Small Business  
8 Administration shall coordinate and formulate policies re-  
9 lating to the administration of covered grants.

10                 (c) CERTIFICATION OF NEED.—An eligible entity ap-  
11 plying for a covered grant shall submit a good faith certifi-  
12 cation that the uncertainty of current economic conditions  
13 makes necessary the grant to support the ongoing oper-  
14 ations of the eligible entity.

15                 (d) MULTIPLE BUSINESS ENTITIES.—The Adminis-  
16 trator shall treat each eligible entity as an independent,  
17 non-affiliated entity for the purposes of this section.

18                 (e) GRANT TERMS.—

19                         (1) NUMBER OF GRANTS.—

20                                 (A) IN GENERAL.—Except as provided in  
21 subparagraph (B), an eligible entity may receive  
22 only 1 covered grant.

23                                 (B) SUPPLEMENTAL GRANT.—The Admin-  
24 istrator may make a second covered grant to an  
25 eligible entity if, as of June 30, 2021, the gross  
26 revenues of such eligible entity for calendar

1       year 2021 as of such date are not more than  
2       30 percent of the gross revenues of such eligible  
3       entity for the corresponding period of 2019, or,  
4       if the gross revenues of the eligible entity were  
5       negatively impacted by a natural disaster or  
6       weather disruption in 2019, not more than 30  
7       percent of the average gross revenues of the eli-  
8       gible entity during the first 6 months of 2016,  
9       2017, and 2018, due to the COVID–19 pan-  
10      demic.

11      (2) AMOUNT.—

12       (A) IN GENERAL.—Except as provided in  
13       subparagraph (B), a covered grant shall be in  
14       an amount equal to the lesser of—

15           (i) the amount equal to 45 percent of  
16       the gross revenues of the eligible entity for  
17       2019, or, if the gross revenues of the eligi-  
18       ble entity were negatively impacted by a  
19       natural disaster or weather disruption in  
20       2019, equal to 45 percent of the average  
21       annual gross revenues of the eligible entity  
22       over the 3-year period from 2016 through  
23       2018, which shall include the gross reve-  
24       nues of all subsidiaries and other related  
25       entities that are consolidated with the

1           gross revenues of the eligible entity in a fi-  
2           nancial statement prepared in accordance  
3           with generally accepted accounting prin-  
4           ciples for such eligible entity for such year;  
5           or  
6                 (ii) \$10,000,000.

7           (B) SUPPLEMENT GRANT AMOUNT.—A  
8           covered grant made pursuant to paragraph  
9           (1)(B) shall be in an amount equal to 50 per-  
10          cent of the first covered grant received by the  
11          eligible entity.

12          (3) GRANT AGGREGATE MAXIMUM.—The total  
13          amount of covered grants received by an eligible en-  
14          tity may not exceed \$10,000,000.

15          (4) USE OF FUNDS.—

16           (A) TIMING.—

17                 (i) EXPENSES INCURRED.—

18                   (I) IN GENERAL.—Except as pro-  
19                  vided in subclause (II), amounts re-  
20                  ceived under a covered grant may only  
21                  be used for expenses incurred during  
22                  the period beginning on March 1,  
23                  2020 and ending on December 31,  
24                  2021.

(II) EXTENSION FOR SUPPLEMENTAL GRANTS.—If an eligible entity receives a grant under paragraph (1)(B), amounts received under a covered grant may be used for costs incurred during the period beginning on March 1, 2020 and ending September 30, 2022.

**9** (ii) EXPENDITURE.—

(II) EXTENSION FOR SUPPLEMENTAL GRANTS.—If an eligible entity receives a grant under paragraph (1)(B), the eligible entity shall return to the Administrator any amounts received under any covered grant that are not expended on or before the date that is 18 months after the date

6 (i) payroll costs;

(iii) any covered utility payment;

12 (iv) payments of interest or principal  
13 due on any covered mortgage obligation;

14 (v) payments of interest or principal  
15 due on any indebtedness or debt instru-  
16 ment incurred in the ordinary course of  
17 business that is a liability of the eligible  
18 entity and was in place or incurred prior to  
19 February 15, 2020;

(vi) covered worker protection expenditures;

22 (vii) payments made to independent  
23 contractors, as reported on Form-1099  
24 MISC, not to exceed a total of \$100,000 in  
25 annual compensation for any individual

1           employee of an independent contractor;  
2           and

3                 (viii) other ordinary and necessary  
4                 business expenses, including—

5                     (I) maintenance expenses;  
6                     (II) administrative costs, includ-  
7                     ing fees and licensing costs;  
8                     (III) State and local taxes and  
9                     fees;

10                   (IV) operating leases in effect as  
11                   of February 15, 2020;

12                   (V) payments required for insur-  
13                   ance on any insurance policy;

14                   (VI) settling existing debts with  
15                   vendors; and

16                   (VII) advertising, production,  
17                   transportation, and capital expendi-  
18                   tures relating to the primary venue of  
19                   the eligible entity or events held at  
20                   such venue, except that a grant under  
21                   this section may not be used primarily  
22                   for such expenditures.

23                 (C) PROHIBITED EXPENSES.—An eligible  
24                 entity may not use amounts received under a  
25                 grant under this section—

- (i) to purchase real estate;
- (ii) for payments of interest or principal for loans originated after February 15, 2020;
- (iii) to invest or re-lend funds;
- (iv) for contributions or expenditures to, or on behalf of, any political party, party committee or candidate for elective office; or
- (v) for any other use as may be reasonably prohibited by the Administrator.

12       (f) INCREASED OVERSIGHT.—The Administrator  
13 shall increase oversight of eligible entities receiving cov-  
14 ered grants, which may include the following:

(B) with respect to other records, for the 3-year period following receipt of the grant.

(A) review and audit grants under this section; and

(B) in the case of fraud or other material noncompliance with respect to a grant under this section—

15 (ii) pursue legal action to collect  
16 funds.

17 (g) OVERSIGHT AND AUDIT PLAN.—

(A) the policies and procedures of the Administrator for conducting oversight and audits of covered grants; and

4 (B) the metrics that the Administrator  
5 shall use to determine which covered grants will  
6 be audited pursuant to subsection (f).

(2) REPORT.—Not later than 60 days after the date of enactment of this Act, and each month thereafter until the date that is 1 year after the date on which all amounts appropriated to make covered grants have been expended, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on the oversight and audit activities of the Administrator under this subsection, which shall include—

(A) the total number of covered grants approved and disbursed;

(B) the total amount of covered grants received by each eligible entity;

(C) the number of active investigations and audits of covered grants;

24 (D) the number of completed reviews and  
25 audits of covered grants, including a description

1           of any findings of fraud or other material non-  
2           compliance; and

3           (E) any substantial changes made to the  
4           oversight and audit plan submitted under para-  
5           graph (1).

6       (h) TAX TREATMENT OF COVERED LOANS.—

7           (1) IN GENERAL.—For the purposes of the In-  
8           ternal Revenue Code of 1986—

9           (A) no covered grant shall be included in  
10          the gross income of the eligible entity that re-  
11          ceives such covered grant;

12          (B) no deduction shall be denied, no tax  
13          attribute shall be reduced, and no basis increase  
14          shall be denied, by reason of the exclusion from  
15          gross income provided by subparagraph (A);  
16          and

17          (C) in the case of a partnership or S cor-  
18          poration that receives such a covered grant—

19           (i) any amount excluded from income  
20          by reason of subparagraph (A) shall be  
21          treated as tax exempt income for purposes  
22          of sections 705 and 1366 of the Internal  
23          Revenue Code of 1986; and

24           (ii) the Secretary of the Treasury (or  
25          the Secretary's delegate) shall prescribe

1           rules for determining a partner's distribu-  
2           tive share of any amount described in  
3           clause (i) for purposes of section 705 of  
4           the Internal Revenue Code of 1986.

5           (2) APPLICABILITY.—Paragraph (1) shall apply  
6           to taxable years ending after the date of enactment  
7           of this Act.

8           (i) FUNDING.—Notwithstanding any provision of cov-  
9         ered law, from any funds appropriated under such a law  
10        that have not been obligated as of the date of enactment  
11        of this Act and are no longer being used to carry out the  
12        activities under such a law, the remaining funds or  
13        \$550,000,000, whichever is greater, but in any case not  
14        more than \$550,000,000, shall be allocated to the Admin-  
15        istrator to carry out this section, of which not more than  
16        \$50,000,000 shall be allocated to Independent Profes-  
17        sional Baseball Clubs.

